

INVESTOR PRESENTATION

SECOND QUARTER 2024 RESULTS SUMMARY

JULY 2024



SAFE HARBOR STATEMENT

This presentation and related conference call contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts and represent only the Company’s beliefs and expectations. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company’s actual results in future periods to differ materially from forecasted results. Among those factors which could cause actual results to differ materially are the following: market demand, supply chain disruptions, labor shortages, competition, weather, disease outbreaks, seasonality, changes in U.S. trade policy, negative economic impacts resulting from geopolitical events, including the war in Ukraine and the Middle East, acquisition risks, financial issues, and other risks and uncertainties, including (but not limited to) those described under the captions “Forward-Looking Information” in Part I, Item 1 and “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as well as other risks and uncertainties listed from time to time in the Company’s SEC filings. The Company does not undertake any obligation to update the information contained herein, which reflects management’s beliefs and expectations only as of this date. More information about factors that potentially could affect Alamo Group’s financial results are included in the Company’s public filings.

Non-GAAP Measures

This presentation also contains non-GAAP financial measures. These measures are included to facilitate meaningful comparisons of our results to those in prior periods and future periods and to allow a better evaluation of our operating performance, in management’s opinion. Our reference to these non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided to enhance investors’ overall understanding of our financial performance.

ALAMO GROUP

AT A GLANCE

Alamo Group, the parent company of over 40 global brands, operates through two divisions:
Industrial Equipment and Vegetation Management.

We specialize in manufacturing equipment that is vital for the maintenance of agricultural land, greenspaces, forests, and physical infrastructure.

We are deeply committed to providing our customers with innovative products that perform these essential maintenance activities safely and efficiently for the betterment of communities worldwide.



Founded in
1969



Headquartered in
Seguin, Texas USA



4,000+
Employees

Publicly traded since 1993
(NYSE: ALG)

Quarterly dividend paid
continuously since going public

29 manufacturing locations
North and South America, and
Europe

Two operating divisions
Vegetation Management and
Industrial Equipment

OUR BRAND SOLUTIONS

Our customers count on us to provide high-quality, high-performance equipment to maintain forests, fields, farmlands and infrastructure, no matter the time of year or the weather conditions.

As we continue to expand our portfolio of brands, we are careful to select those which bring added value to both customers and shareholders while carrying out our commitment to improve places where people live, work and gather socially.

- ▶ Forestry, Tree Care, Recycling
- ▶ Biomass Production
- ▶ Agricultural Land Maintenance
- ▶ Landscaping & Turf Maintenance
- ▶ Roadside Mowing, Hedge and Brush Control
- ▶ Metal Mill & Mine Maintenance
- ▶ Street and Parking Lot Sweeping and Leaf, Brush and Debris Collection
- ▶ Highway Safety
- ▶ Storm Sewer Cleaning
- ▶ Vacuum and Hydro-Excavation
- ▶ Specialty Excavation and Storm Debris Removal
- ▶ Snow and Ice Removal
- ▶ Canal and Waterway Vegetation Management
- ▶ Specialty Construction Forms
- ▶ Spare Parts, Wear Parts and Technical Services
- ▶ Operator Safety Training



MANUFACTURING OPERATIONS

Global Reach and Operational Scale

With a portfolio of 40+ brands, the Group operates 29 manufacturing locations worldwide.

This extensive network enables Alamo Group to deliver its equipment, parts, and services across six continents.

The Group's commitment to quality, innovation and sustainability supports its ability to meet a wide range of needs, demonstrating its role as a key player in the global market.



Global Locations:

- United States **17**
- Canada **3**
- Brazil **1**
- France **3**
- United Kingdom **3**
- Netherlands **2**
- Australia **Sales Office**
- China **Sourcing Office**

FINANCIAL HIGHLIGHTS

2024

- ▶ Net sales of \$416.3 million decreased 5.5% compared to \$440.7 million in 2Q2023
 - Industrial Equipment Division net sales of \$204.8 million grew 14.2%
 - Vegetation Management Division net sales of \$211.5 million declined 19.1%
- ▶ Operating Income margin softened by 194 basis points
 - 5-week labor strike at Gradall Industries and weak vegetation markets impacted second quarter results
 - Governmental and industrial markets continue to display significant strength
- ▶ Optimization of the operations is underway and expected to benefit second half of the year

\$416.3M ↓ 5.5% from 2Q23

Net Sales

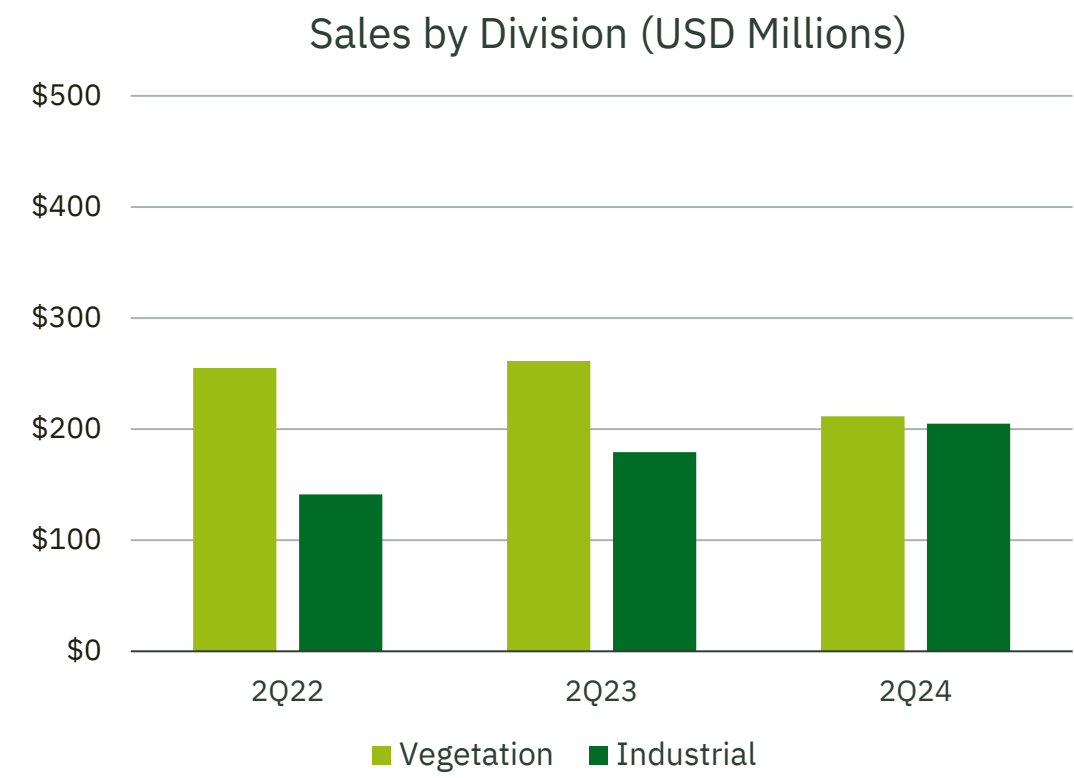
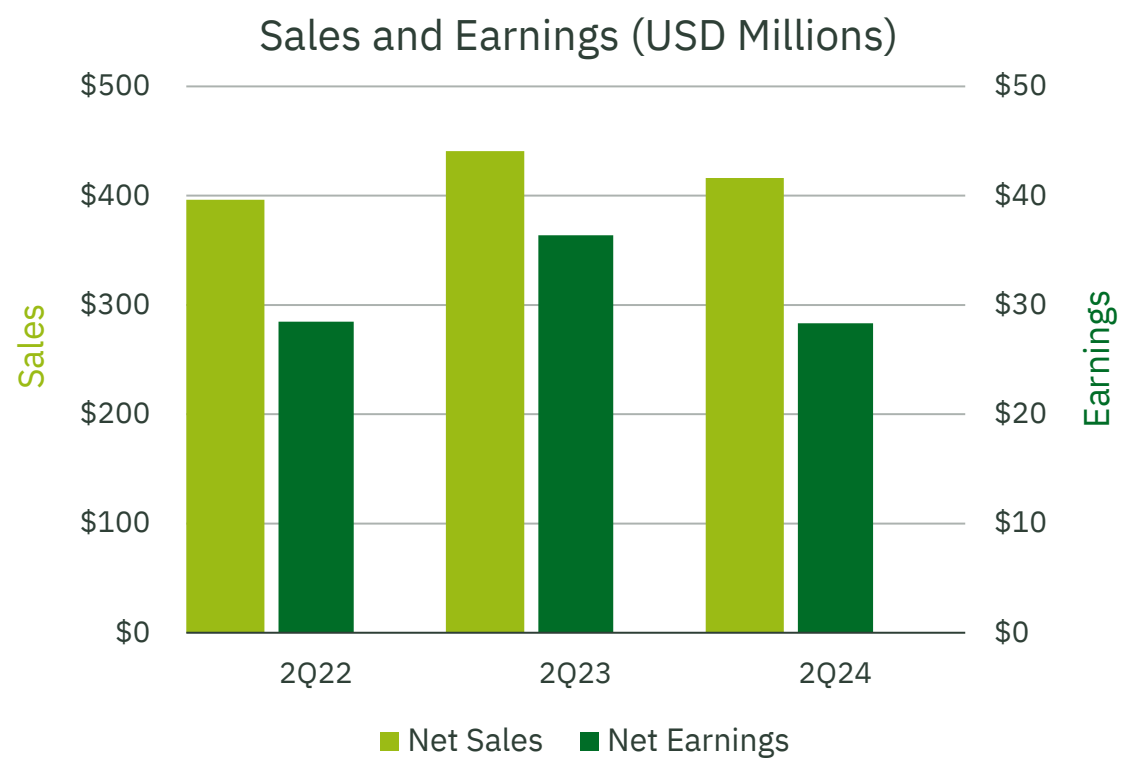
10.4% ↓ 1.9% from 2Q23

Operating Income

\$ 2.35 ↓ \$0.68 from 2Q23

Earnings Per Share

SALES AND EARNINGS OVERVIEW



BALANCE SHEET

Quarter Ended June 30			
(In USD Thousands)	2024	2023	2022
Current Assets	907,476	871,971	748,303
Total Assets	1,505,970	1,457,759	1,332,376
Current Liabilities	207,556	214,845	189,616
Working Capital	699,920	657,126	558,687
Total Debt	293,599	347,584	371,164
Total Debt Net of Cash	175,064	235,523	295,270
Shareholders' Equity	979,716	865,942	736,442
Debt as a % of Capitalization	23.1%	28.6%	33.5%
Debt Net of Cash as % of Capitalization	15.2%	21.4%	28.6%
Net Cash from Operating Activities	33,192	35,978	11,596
Capital Expenditures	4,408	9,239	10,607
Dividends Paid	3,111	2,622	2,139



INCOME STATEMENT

Quarter Ended June 30			
(In USD Thousands)	2024	2023	2022
Revenue	416,303	440,694	396,214
Gross Margin	108,181	118,074	99,717
% of Revenue	26.0%	26.8%	25.2%
Operating Expenses	64,872	63,682	58,801
Operating Income	43,309	54,392	40,916
% of Revenue	10.4%	12.3%	10.3%
Depreciation - PP&E	6,699	5,749	5,412
Depreciation - Rental	2,459	2,154	1,875
Amortization	4,230	3,999	3,959
Net Income	28,324	36,374	28,472
Diluted Earnings Per Share	2.35	3.03	2.39
EBITDA ⁽¹⁾	56,697	66,294	52,162

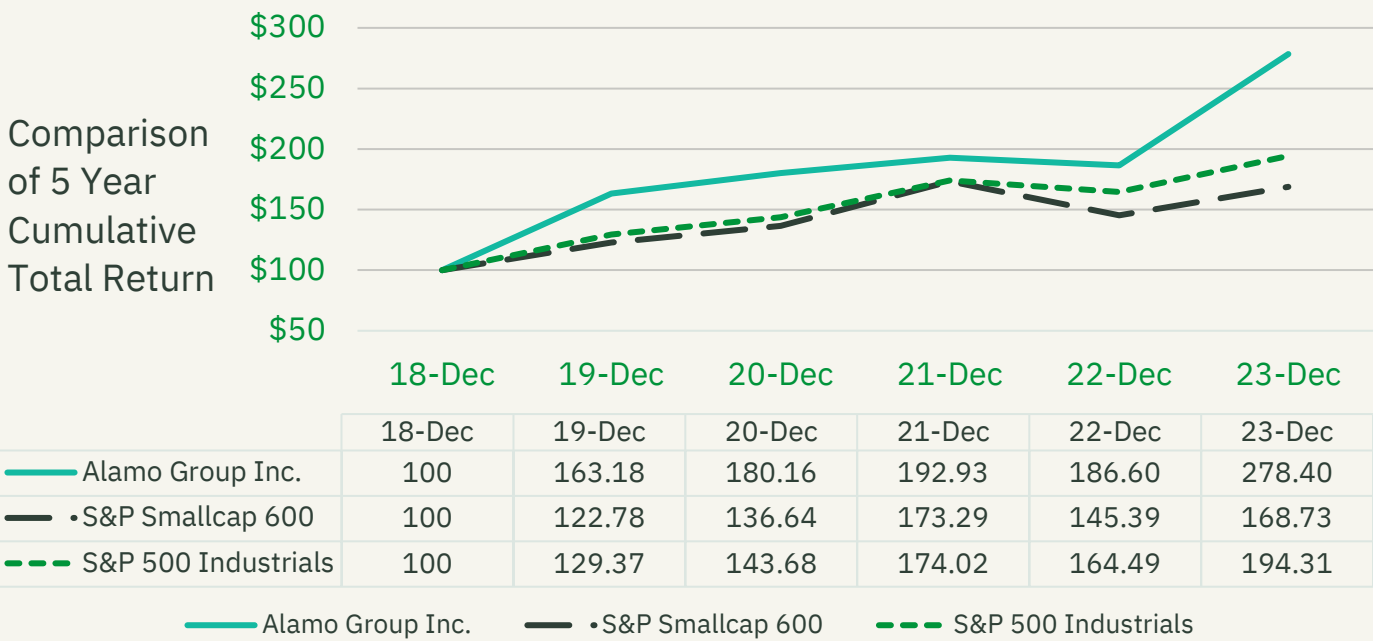
(1) EBITDA is a non-GAAP financial measure defined for this purpose as the sum of operating income and depreciation and amortization. See reconciliation in the Appendix.



OUR COMMITMENT

DRIVING SHAREHOLDER VALUE

Alamo Group is well positioned to capitalize on its strong order backlog and sustained demand across most of its served markets to maintain its historic track record of long-term growth and total shareholder returns.



Targeted Long-Term
Performance Metrics

5-10%
Revenue Growth

>12%
Operating Income

>14%
ROIC

Outlook 2024

- ▶ Strong backlog and momentum in the Industrial Equipment Division indicates positive outlook for the balance of 2024 at least
- ▶ While backlog remains healthy in the Vegetation Management Division, current interest rates environment and higher dealer inventory levels will prolong headwinds in 2024
- ▶ Actions to protect profitability were completed in second quarter and are expected to benefit the remainder of the year
- ▶ Supply Chain continues to improve; prices of purchased components stabilized

We remain focused on the Company's strategy and positive about our future performance



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President & CEO

Agnes Kamps
EVP/ Chief Financial Officer



Additional details about Alamo Group's financial news and reports can be located on our website in the following documents:

Earning Release can be found at [alamo-group.com > Investors > Financial News Release:](https://www.alamo-group.com/2024-financial-news-release/)
<https://www.alamo-group.com/2024-financial-news-release/>

10-Q can be found at [alamo-group.com > Investors > Financial Reports:](https://www.alamo-group.com/2024-financial-reports/)
<https://www.alamo-group.com/2024-financial-reports/>

Appendix



Reconciliations

EBITDA

Quarter Ended June 30			
(In USD Thousands)	2024	2023	2022
Operating Income	43,309	54,392	40,916
Depreciation - PP&E	6,699	5,749	5,412
Depreciation - Rental	2,459	2,154	1,875
Amortization	4,230	3,999	3,959
EBITDA ⁽¹⁾	56,697	66,294	52,162

(1) We define EBITDA as the total of Operating Income, Depreciation, and Amortization. We believe this non-GAAP measure is useful to investors as it provides greater transparency in regards to the information used by management in its financial and operational decision-making. The EBITDA presented may not be comparable to similarly titled measures of other companies.



Year-to-Date Results



BALANCE SHEET

Quarter Ended June 30			
(In USD Thousands)	2024	2023	2022
Current Assets	907,476	871,971	748,303
Total Assets	1,505,970	1,457,759	1,332,376
Current Liabilities	207,556	214,845	189,616
Working Capital	699,920	657,126	558,687
Total Debt	293,599	347,584	371,164
Total Debt Net of Cash	175,064	235,523	295,270
Shareholders' Equity	979,716	865,942	736,442
Debt as a % of Capitalization	23.1%	28.6%	33.5%
Debt Net of Cash as % of Capitalization	15.2%	21.4%	28.6%
Net Cash from Operating Activities	33,192	35,978	11,596
Capital Expenditures	4,408	9,239	10,607
Dividends Paid	3,111	2,622	2,139

Six Months Ended June 30		
2024	2023	2022
907,476	871,971	748,303
1,505,970	1,457,759	1,332,376
207,556	214,845	189,616
699,920	657,126	558,687
293,599	347,584	371,164
175,064	235,523	295,270
979,716	865,942	736,442
23.1%	28.6%	33.5%
15.2%	21.4%	28.6%
34,316	37,184	(43,389)
11,061	18,238	14,965
6,214	5,237	4,272



INCOME STATEMENT

Quarter Ended June 30				Six Months Ended June 30		
(In USD Thousands)	2024	2023	2022	2024	2023	2022
Revenue	416,303	440,694	396,214	841,889	852,465	758,219
Gross Margin	108,181	118,074	99,717	219,813	230,581	186,358
% of Revenue	26.0%	26.8%	25.2%	26.1%	27.0%	24.6%
Operating Expenses	64,872	63,682	58,801	129,525	127,165	116,323
Operating Income	43,309	54,392	40,916	90,288	103,416	70,035
% of Revenue	10.4%	12.3%	10.3%	10.7%	12.1%	9.2%
Depreciation - PP&E	6,699	5,749	5,412	13,279	11,270	10,648
Depreciation - Rental	2,459	2,154	1,875	4,814	4,259	3,765
Amortization	4,230	3,999	3,959	8,465	7,990	8,013
Net Income	28,324	36,374	28,472	60,444	69,723	46,942
Diluted Earnings Per Share	2.35	3.03	2.39	5.02	5.82	3.94
EBITDA ⁽¹⁾	56,697	66,294	52,162	116,846	126,935	92,461

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Reconciliations

EBITDA

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Operating Income	43,309	54,392	40,916
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Amortization	4,230	3,999	3,959
EBITDA ⁽¹⁾	56,697	66,294	52,162

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2024	2023	2022
90,288	103,416	70,035
13,279	11,270	10,648
4,814	4,259	3,765
8,465	7,990	8,013
116,846	126,935	92,461

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